

## Old Age, Disability, Death

First and current laws: 1946 (old-age and survivor pensions); 1959 (disability pensions); 1982 (occupational pensions).

Type of program: Social insurance system and mandatory occupational pension system.

**Exchange rate:** U.S.\$1.00 equals 1.40 francs.

### Coverage

**Base pension:** All persons domiciled in Switzerland or who are gainfully employed there. Swiss citizens residing abroad may join voluntarily.

**Mandatory occupational pensions:** Employees whose earnings exceed 24,120 francs annually (maximum old-age base pension for single person). Unemployed as of July 1997 are insured for disability and survivors benefits. The self-employed may insure on a voluntary basis.

### Source of Funds

**Insured person Base pension:** 4.2% of earnings for old age and survivors, 0.7% for disability insurance. Self-employed, 7.8% of income for old-age and survivors, and 1.4% for disability (according to a decreasing scale of contributions).

**Mandatory occupational pension:** Contributions vary from 7-18% (depending on age and gender) on income between 24,120 francs to 72,360 francs).

**Employer Base pension:** 4.2% of payroll for old age and survivors, 0.7% for disability. Mandatory occupational pension, contribution at least equal to employee's contribution.

**Government Base pension** Annual subsidies to social insurance system covering about 20% of cost for old age (17% from federal government, 3% from cantons) and 50% of cost for disability (3/4 from national government, 1/4 from cantons).

**Mandatory occupational pension:** None.

No maximum earnings for contribution purposes for base pension.

### Qualifying Conditions

**Old-age pension Base pension:** Age 65 (men) or 62 (women). The age requirement for women will be 63 in 2001 and 64 in 2005. A full pension requires that contributions be made in all years from age 21. A partial pension is payable for shorter insurance periods; however, at least 1 year's contribution is required in order to make a claim for any pension.

**Disability pension:** Full pension if at least 66.6% disabled. Half pension, if at least 50% disabled; partial pension, at least 40% disabled in social cases. To receive a full pension, contributions must be made in all years from age 21.

Minimum: one year of contributions.

**Survivor pension:** For full pension for widow/widower, the deceased must have contributed from age 21. At least one year of contributions required to receive any pension.

Mandatory occupational pensions payable at age 65 (men) or age 62 (women); disability and survivor pensions (widows and orphans) are payable as well.

### Old-Age Benefits

**Old-age pension Base pension:** If average annual income is less than or equal to 36,180 francs, flat amount of 8,924 francs a year

plus a variable amount calculated by multiplying annual income by 13/600; if average annual income above 36,180 francs, flat amount of 12,542 francs a year plus a variable amount calculated by multiplying annual income by 8/600.

Minimum and maximum: 1,005 and 2,010 francs a month, respectively. Combined individual pensions of a couple cannot exceed 150% of maximum of old-age pension of 3,015 francs a month.

Partial pension: Percentage of full pension according to relationship between the insured's years of contribution and those of their age group.

Dependents' supplements: Each child under age 18 (25 if student), 40% of pension.

Special pension for Swiss nationals who do not meet the requirement of minimum duration of contribution.

Benefits adjusted every 2 years for changes in prices and wages.

**Mandatory occupational pension:** 7.2% of accumulated funds in personal account, with interest.

Adjustment: Benefits adjusted for price increases at same time as base pension.

### Permanent Disability Benefits

**Disability pension Base pension:** Same arrangement as for old-age pension. Full pension, half or quarter pension, depending on degree of disability. Partial pension: Percentage of full pension according to relationship between the insured's years of contribution and those of their age group.

Dependent supplement: Wife, 30% of pension. Child under age 18 (25 if student), 40% of pension.

Special pension for Swiss nationals who do not meet the requirement of minimum duration of contribution.

Adjustment: Benefits adjusted every 2 years for changes in prices and wages.

**Mandatory occupational pension:** 7.2% of funds that would be accumulated to retirement age. Full pension if 2/3 disabled; half pension if 50% disabled.

Adjustment: Benefits adjusted for price increases at same time as base pension.

### Survivor Benefits

**Survivor pension:** 80% of pension of insured, payable to widow if caring for child, or if age 45 and married at least 5 years when widowed. Minimum and maximum benefits, 804 and 1,608 francs a month, respectively. Widower's pension, 80% of pension of insured if caring for a child under age 18. Minimum and maximum benefits, 804 and 1,608 francs a month, respectively.

Orphans: 40% of pension of insured for each orphan under age 18 (25 if student); 80% if both parents deceased, but not more than 60% of the maximum old-age pension.

Special provision for Swiss nationals who do not meet the requirement of minimum duration of contribution.

Adjustment: Benefits adjusted every 2 years for changes in prices and wages.

Mandatory occupational pension: Widow, 60% of full disability pension payable to insured.

Orphans' pension, 20% of full pension, payable to each child.

Adjustment: Benefits adjusted for price increases at same time as base pension.

### Administrative Organization

**Base pension:** Federal Department of Interior, general supervision. Federal Social Insurance Office, national administration of program. Collection of contributions, recording of contributions, and payment of pensions carried out by decentralized network of cantonal, industrial, and federal equalization funds.

Equalization office maintains register of all insured persons and pensioners.

**Mandatory occupational pension** under general supervision of Federal Social Insurance Office and cantons.

Administration by registered occupational pension institutes (in 1996, 11,572).

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### Sickness and Maternity

First law: 1911.

Current law: 1994 (implemented 1996).

Type of program: Mixed compulsory (medical care) and voluntary social insurance (cash benefits) systems.

#### Coverage

**Medical care:** All persons living in Switzerland.

**Cash benefits:** All persons living in Switzerland and involved in gainful activity, over age 15 but less than 65 can receive a daily allowance.

#### Source of Funds

**Insured person: medical care:** Single premium for funds within the same region. **Cash benefits:** Premiums vary depending on the fund, benefits for insured, age of entry and the region.

**Employer: cash benefits:** None, by law (some collective agreements require employer to share employees' membership fees).

**Government: medical care:** Federal subsidies to cantons for reduction of premiums paid by low income people. Cantons must add additional assistance. **Cash benefits:** None.

#### Qualifying Conditions

**Cash maternity benefits:** 9 months (270 days) of membership without interruption of more than 3 months, according to fund.

#### Sickness and Maternity Benefits

**Sickness benefit:** Amount of daily allowance set by agreement between insurer and insured.

Payable after waiting period of 3 days, unless agreed otherwise, for up to at least 720 days in a period of 900 consecutive days.

**Maternity benefit:** Payable for up to 16 weeks, including at least 8 weeks after confinement.

#### Workers' Medical Benefits

**Medical benefits:** Comprehensive list of service benefits set by law. Funds can also provide additional benefits through complementary insurance.

Patient contribution: Annual excess payable (standard excess: 230 francs) and 10% of costs above this excess up to a set annual total. In addition, daily contribution of 10 francs for hospitalization costs (except for insured who live with at least one member of their family). No cost-sharing for maternity care. Duration: No time limit.

### Dependents' Medical Benefits

**Medical benefits for dependents:** Receive same benefits in own right. Insurance is individual.

### Administrative Organization

Federal Office of Social Insurance, supervision compliance.

Recognized funds and private insurance companies authorized to provide health insurance (119 recognized funds), scheme administration.

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### Work Injury

First law: 1911 (effective 1918).

Current law: 1981.

Type of program: Compulsory insurance with semipublic or private carrier.

#### Coverage

All employees; optional coverage for self-employed. If working hours do not exceed 12 a week, insurance covers only work-related injuries (including travel to and from work).

#### Source of Funds

**Insured person:** None for work injuries, but whole cost of insurance against non-occupational accidents.

**Employer:** Whole cost, at contribution rates varying with risk (0.04% to 17.2%, according to classification).

**Government: None.**

Maximum earnings for contribution and benefit purposes: 97,200 francs a year.

#### Qualifying Conditions

**Work-injury benefits:** No minimum qualifying period.

Benefits payable for both occupational accidents and disease, and non-occupational accidents.

#### Temporary Disability Benefits

**Temporary disability benefit:** 80% of earnings if totally disabled.

Full benefit payable if work incapacity is over 50%; half benefit if 26%-50%; and no benefit payable if 25% or less. Payable after 3-day waiting period until recovery or certification of permanent disability.

#### Permanent Disability Benefits

**Permanent disability pension:** 80% of earnings, if totally disabled.

Constant-attendance supplement: 2 to 6 times the insured's maximum daily earnings, according to severity of impairment. Partial disability: Percent of full pension corresponding to degree of incapacity.

Lump-sum awards for lasting injury according to schedule in law, payable in addition to pensions above.

Adjustment: Pensions adjusted every 2 years for changes in cost-of-living index.

#### Workers' Medical Benefits

**Medical benefits:** Medical, hospital, and pharmaceutical treatment, prostheses and other necessary care, and travel expenses.

No limit on duration.

### Survivor Benefits

**Survivor pension:** 40% of earnings of insured. Payable to spouse with dependent children or at least 2/3 disabled, or to widow over age 45. Widow's settlement: Lump sum of varying amount related to duration of marriage, payable to widow if ineligible for pension. Orphans: 15% of earnings for each orphan under age 18 (25 if student), or 25% if full orphan. Other eligible survivors: Surviving divorced spouse, up to 20% of earnings.

Maximum survivor pensions: 70% of earnings. (If benefits payable to both current and divorced spouse, maximum 90%.)

Funeral grant: Lump sum of up to 1,869 francs.

Adjustment: Pensions adjusted every 2 years for changes in cost-of-living index.

### Administrative Organization

Federal Social Insurance Office, general supervision.  
Managed by the Swiss National Insurance Fund in case of accidents; private carriers for employers subject to compulsory insurance; public insurance/accident funds; and approved sickness insurance funds.

## Unemployment

First law: 1924.

Current law: 1982.

Type of program: Social insurance system.

### Coverage

Employed persons.

### Source of Funds

**Insured person:** 1.5% of earnings.

**Employer:** 1.5% of payroll.

**Government:** 2% of expenditure plus federal and cantonal low-interest loans to cover deficits.

Maximum earnings for contribution and benefit purposes: 97,200 francs a year.

### Qualifying Conditions

**Unemployment benefit:** Totally or partially without employment. Must live in Switzerland. 6 months of employment in last 2 years; waived for certain categories. Willing and able to accept suitable work. Must report once a month to unemployment office.

### Unemployment Benefits

**Unemployment benefit:** 80% of last earnings if insured has dependents, or earned less than 3,526 francs, or is disabled. 70% in all other cases. Payable after 5-day waiting period.

Maximum Duration depends on age: 150 days if up to age 50; 250 days if between ages 50 and 60; 400 days if over age 60 (can be extended to 520 days).

Partial unemployment benefit: 80% loss of earnings in case of short-time work for up to 21 months in 2-year period; or, in case of bad weather, for up to 6 months.

### Administrative Organization

Federal Office on Industry, Economic Development, and

Employment, approval and supervision of unemployment funds.

Federal Social Insurance Office supervises contributions.

Cantonal and regional unemployment funds (public funds) administer program for cantons or regions. In addition, some funds administer programs for certain professional groups.

Regional placement offices, find employment for unemployed.

## Family Allowances

First and current Federal law: 1952 (agriculture only).

Cantonal laws: All cantons have laws, enacted during or after 1943.

Type of program: Employment-related system.

### Coverage

Federal program: Agricultural employees and small self-employed farmers who have 1 or more children (family allowances) or spouse (housekeeping allowance).

Cantonal programs: Nonagricultural employees with 1 or more children; several cantons also cover some self-employed, including farmers. Employers usually affiliate with family allowance funds; in some cantons, employers may guarantee payment.

Special systems for public employees.

### Source of Funds

**Insured person:** None.

**Employer:** Agricultural employers, 2% of payroll (Federal program). Nonagricultural employers, from approximately 2% to more than 5% of payroll, according to canton and fund.

**Government:** Federal and cantonal governments share residual cost for agricultural employees and whole cost for small farmers (2/3 by the federal government, 1/3 by cantonal governments).

### Qualifying Conditions

**Family allowances:** Federal program, child must be under age 16 (20 if unable to work and not receiving a full disability pension, 25 if student); in most cantonal programs, child must be under age 16 (18-20 if disabled, 25 if student).

### Family Allowance Benefits

**Family allowances:** Federal program, 160 francs a month for first 2 children (180 in mountain regions); 165 francs a month for the third and subsequent children (185 in mountain regions).

Household allowance: 100 francs for each married worker.

Cantonal programs: Legal minimum, 140 francs to 294 francs a month for each child according to canton. Funds often pay higher amount than legal minimum. Birth grants (600 francs to 1,500 francs a month) and vocational training allowances (145 francs to 378 francs a month) in some cantons. Vocational training allowances replace family allowances.

### Administrative Organization

Federal program: Cantonal old-age and survivors' insurance funds collect contributions and pay allowances.

Cantonal programs: Administered by numerous public and approved private family allowance funds, supervised by cantonal governments. Employers usually pay allowances with wages and settle only surplus or deficit with fund.